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Consumer Affairs Agencies:

Division of Banks

Division of Insurance

Division of Professional
Licensure

Department of
Telecommunications and
Cable

Division of Standards

State Racing Commission

Massachusetts Office of Consumer Affairs & Business Regulation

THE CONSUMER INSIDER

News from the Director

The Fall is a popular time for buying and leasing cars. New models have arrived and dealers are trying to sell old models to make room for them. I recently purchased a new car and thought I would share some observations from my experience with those of you who are in the market for a new car. You can also turn to page 2 of *The Consumer Insider* for more car buying and leasing tips.

- Get the invoice price from Consumer Reports or AAA.
- Check the manufacturer's current discount, rebate or financing program and factor these

items in when looking at the invoice price and considering what you want to pay for a car.

- Shop at several dealerships in your neighborhood—you are looking for convenience and good service and dealers who want your business may be more flexible with consumers who live nearby and are more likely to generate service business for them in the future.



Daniel C. Crane, Director
Office of Consumer Affairs
and Business Regulation

Listening Tour Final Stops

The Director is wrapping up his Fall Consumer Listening Tour with stops in **Cambridge on October 3** and **Springfield on October 26**. For more information, please call 617-973-8702.



Director Crane arrives ready to listen in Lawrence

Know Your Rights About Real Estate Purchases

The Massachusetts Board of Registration of Real Estate Brokers and Salespersons regulates the practice of real estate agents and is becoming increasingly concerned that licensed agents are directing clients to lenders who may not provide the best array of financing options for consumers.

Consumers should know that licensing laws prohibit agents from steering them to a single lender for financing. Some agents have relationships with lenders and while these relationships are permissible, agents cannot either direct or lead consumers only to those lenders. This practice denies the client an opportunity to make a fully informed and voluntary choice about lender and financing options.

Remember your agent must make it clear that although he or she may have a relationship with a lender, you are free to choose any lender that best suits your individual needs. The Board fully expects licensed real estate agents to make purchasers aware of their freedom to select the lender of their own choosing. Ensuring free and informed choices creates a fair process and discourages agents from putting their financial interests ahead of the consumer's best interests.

Consumer Hotline:

888-283-3757 or 617-973-8787

Commissioner's Corner

The second in a series introducing readers to OCA Commissioners



Division of Insurance Commissioner Nonnie S. Burnes has been in the news lately for ushering in a new era of greater choice and lower premiums for good drivers in the Massachusetts auto insurance market. She is overseeing the transition from state-set rates to managed competition. The new system will give insurers flexibility to offer consumers better products and services at lower rates while at the same time retain the Commissioner's regulatory authority to protect consumers in the new market.

Commissioner Burnes was appointed to her post in February by Governor Deval Patrick. In addition to regulating the state's auto insurance market, the Commissioner also oversees multiple lines of insurance, including health, homeowners and life insurance. The Division licenses agents and performs market conduct studies and financial examinations to monitor licensee compliance with state regulations and company solvency in order to provide consumers with a healthy and responsive marketplace. The Division also has a consumer service section that responds to inquiries and assists consumers in resolving insurance complaints.

Prior to taking the helm at the Division, Commissioner Burnes was a Justice of the Superior Court for more than a decade. In addition to her work on the bench and in private practice, she served as a Commissioner on the State Ethics Commission; a Fellow of the Boston Bar Foundation; the Vice Chair of the Boston Bar Association; and, on the Board of Directors of the Massachusetts Law Reform Institute and the Center for Law and Education. Commissioner Burnes is a member of the visiting committee for Harvard University, Kennedy School of Government, the Center for Ethics and the Professions; and, a member of the Board of Trustees and Board of Overseers for Northeastern University.

Commissioner Burnes received a B.A. from Wellesley College and a J.D. from Northeastern University Law School. In 2004, she received the Citation for Judicial Excellence from the Boston Bar Association.

Consumer Tips — Buying or Leasing a Car

As Fall begins and the end of the year approaches, new 2008 vehicles become available. Are you interested in buying or leasing a car? The following tips should help with your purchase:

- Decide on a make and model and check with Consumer Reports, Motor Trend magazine and the National Highway Traffic Safety Administration to check for safety, reliability, price and repair costs
- Consider factors such as budget, how long you intend to keep the car and your yearly mileage to help decide whether to buy or lease
- Shop at the end of a month or quarter when dealers may be more flexible on terms because they are trying to meet sales targets
- Call friends and relatives for dealer recommendations and the Better Business Bureau and the Attorney General's office to check on dealer complaints. Call our hotline at 888-283-3757 for dealer arbitration histories
- Visit several dealers and shop the Internet to compare prices, service and convenience
- Get all the terms and prices in writing to avoid misunderstandings (including miscellaneous fees and document fees) before paying a deposit
- Know about your rights under the Lemon Law. For more information go to: www.mass.gov/consumer

Unit Pricing – Good and Bad News for Consumers

Massachusetts law requires stores to post the “unit price” of an item which tells the consumer the cost per pound, quart or other unit of weight or volume of a product. Consumer Affairs conducted a random check of the posted unit prices of 4 products in 11 stores. Based on the posted unit price and the size of the product, we calculated the “correct price.” Of the 44 prices checked, 55% (24) were correct. Of the remaining 45% (20) that had incorrect prices: 10 were wrong in the consumers' favor ranging from as little as \$.01 to \$2.65 depending on the item and 10 were wrong in favor of the store with errors ranging from \$.01 to \$.27.

In conjunction with the unit pricing check, we asked 215 consumers about unit pricing. Seventy-five percent of those surveyed said they look at unit prices in making purchasing decisions and 67% believe that using unit prices helps them save money. Unfortunately, based on our random sampling, Massachusetts consumers should shop with their calculators because 45% of the actual prices checked were incorrect based on the store's own posted unit price.

High School Financial Literacy (HiFi) Program Expands

OCA's HiFi Program trains teachers, financial professionals and community-based organization representatives to offer financial literacy classes to teens. Through this program, students gain the financial skills and abilities they need whether they are headed to the workforce, military or college.

Our fall series of seminars will bring us to Haverhill on October 3, Worcester on October 12, Springfield on October 24, Brockton on November 7 and Boston on November 28.

The HiFi Program continues to expand with over 700 educators from 269 high schools and 65 community-based organizations successfully trained. Over 100 financial representatives have also been trained and are available to lend their expertise in the classroom. These financial professionals make up the Speakers' Bureau listed by city or town on our website www.mass.gov/hifi so that teachers can find financial professionals in their area who are willing and available to teach all or portions of the financial planning curriculum to their classes.